

Appendix A - HHS Organization and Operations

There are 13 HHS components that administer the Department's programs. The Agency for Toxic Substances and Disease Registry is reported with the Centers for Disease Control and Prevention. Therefore, this report refers to 12 components. Leadership is provided by the Office of the Secretary (OS), which is also considered one of the 13 components. Five staff divisions also report to the Secretary and they are headed by Assistant Secretaries, one of which the Assistant Secretary for Budget, Technology, and Finance (formerly Assistant Secretary for Management and Budget), is responsible for this report. HHS is also active in ten regions throughout the United States, to coordinate the crosscutting and complementary efforts that are needed to accomplish our mission. HHS Headquarters is located at 200 Independence Avenue, SW, Washington, DC, 20201. The Offices of Inspector General (OIG), General Counsel, and Intergovernmental Affairs (IGA), Office for Civil Rights, and Departmental Appeals Board (DAB) also support this mission across the Department. The net budget outlay for FY 2001 and FY 2000 for providing this leadership was \$568 million and \$768 million, respectively. The net cost of the OS activities for FY 2001 and FY 2000 was \$842 million and \$772 million, respectively. The net outlay and net cost dollars shown in this section are rounded.

HHS FY 2001 NET BUDGET OUTLAY:	\$426.4 billion
HHS FY 2000 NET BUDGET OUTLAY:	\$382.6 billion
HHS FY 2001 CONSOLIDATED NET COST:	\$432.9 billion
HHS FY 2000 CONSOLIDATED NET COST:	\$385.5 billion

This section provides more information on the responsibilities and funds managed by each of the HHS components. Net budget outlay dollars are those shown in Appendix J. The HHS components are presented in alphabetical order.

Administration for Children and Families (ACF)

ACF is responsible for approximately 60 programs that promote the economic and social well being of families, children, individuals and communities. With its partners, ACF administers the state-federal welfare reform program, Temporary Assistance to Needy Families (TANF). ACF administers the national Child Support Enforcement program and also administers the Head Start program for preschool children.

ACF was established in 1991, bringing together several pre-existing programs. ACF provides funds to assist low-income families in paying for childcare and supports state programs to provide for foster care and adoption assistance. It also funds programs to prevent child abuse and domestic violence. ACF is organized into eight program offices and five staff offices that operate in Washington, DC and ten regional offices. Five regions also act as hub sites for activities that affect several regions.

FY 2001 NET BUDGET OUTLAY:	\$42.2 billion
FY 2000 NET BUDGET OUTLAY:	\$36.5 billion
FY 2001 CONSOLIDATED NET COST:	\$43.7 billion
FY 2000 CONSOLIDATED NET COST:	\$37.4 billion

Administration on Aging (AoA)

AoA is the federal focal point devoted exclusively to representing the needs and concerns of older people and their families and the policy and program development, planning, and service delivery to those persons in need. Through a nationwide service delivery infrastructure, AoA funds are leveraged to deliver comprehensive in-home and community services, including meals for older individuals. AoA funds also make legal services, counseling and ombudsmen programs available to elderly Americans.

AoA was established in 1965. AoA accomplishes its mission in collaboration with its partners - state and area agencies on aging, Tribal organizations, and the providers of services that comprise the aging network. AoA headquarters are located in Washington, DC.

FY 2001 NET BUDGET OUTLAY:	\$952.0 million
FY 2000 NET BUDGET OUTLAY:	\$884.5 million
FY 2001 CONSOLIDATED NET COST:	\$959.0 million
FY 2000 CONSOLIDATED NET COST:	\$902.0 million

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Agency for Healthcare Research and Quality (AHRQ)

AHRQ acts as the catalyst for improving the quality, effectiveness, accessibility, and cost of healthcare as a result of its research and sharing of information. AHRQ conducts and supports the research needed to guide decision-making and improvements in both clinical care and the organization and financing of healthcare. AHRQ also promotes the incorporation of its and other research-based information into effective choices and treatment in healthcare by developing tools for public and private decision-makers and by broadly disseminating the results of the research.

AHRQ was established in 1989 and is currently located in Rockville, MD. AHRQ operates six centers as well as its special policy and information offices.

FY 2001 NET BUDGET OUTLAY:	\$33.0 million
FY 2000 NET BUDGET OUTLAY:	\$50.8 million
FY 2001 CONSOLIDATED NET COST:	\$221.0 million
FY 2000 CONSOLIDATED NET COST:	\$161.0 million

Centers for Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATSDR)

CDC is the "Nation's Prevention Agency"; it is the lead federal agency responsible for promoting health and quality of life by preventing and controlling disease, injury, and disability. CDC helps to save lives and health costs by working with partners throughout the nation and the world to monitor health, detect and investigate health problems, conduct research to enhance prevention, develop and advocate sound health policies, implement prevention strategies, promote healthy behaviors, foster safe and healthy environments, and provide public health leadership and training. CDC also provides immunization services and national health statistics. CDC is well known for its response to disease outbreaks and health crises worldwide.

CDC was established in 1946, as the Communicable Disease Center. CDC's personnel are stationed in its national headquarters in Atlanta, GA, 18 locations throughout the United States and territories, in more than 37 foreign countries and in 47 state health departments, and numerous local health agencies.

FY 2001 NET BUDGET OUTLAY:	\$3.3 billion (including ATSDR)
FY 2000 NET BUDGET OUTLAY:	\$2.5 billion
FY 2001 CONSOLIDATED NET COST:	\$4.1 billion (including ATSDR)
FY 2000 CONSOLIDATED NET COST:	\$2.8 billion (including ATSDR)

ATSDR helps to prevent exposure and adverse human health effects and diminished quality of life associated with exposure to hazardous substances. ATSDR is a unique component of HHS because, prior to FY 2001, it had been funded through the Environmental Protection Agency, (EPA) Superfund as an allocation of the funds and, therefore, the EPA was accountable for the funds. However, beginning in FY 2001 ATSDR is funded through the EPA Superfund through a transfer of funds and as a result, HHS is accountable for the funds. ATSDR reports to the Director of CDC because of its complementary functions. Because of this relationship, the CDC financial statements include those from ATSDR.

ATSDR was established in 1980. ATSDR conducts public health assessments, health studies, surveillance activities, and health education training in communities around waste sites on the U.S. Environmental Protection Agency's National Priorities List. ATSDR also has developed toxicological profiles of hazardous chemicals found at these sites. ATSDR's headquarters are located in Atlanta, GA.

FY 2001 NET BUDGET OUTLAY:	\$75.0 million (reported through HHS)
FY 2000 NET BUDGET OUTLAY:	\$74.5 million (reported through EPA)
FY 2001 CONSOLIDATED NET COST:	\$75.2 million
FY 2000 CONSOLIDATED NET COST:	\$87.7 million

Centers for Medicare & Medicaid Services (CMS), formerly Healthcare Financing Administration (HCFA)

CMS is the largest purchaser of healthcare in the world. CMS administers the Medicare, Medicaid, and the State Children's Health Insurance (SCHIP) programs. The Medicare, Medicaid, and State Children's Health Insurance programs provide healthcare for one in four Americans. The outlays for Medicare and Medicaid, including state funding, represent 33 cents of every dollar spent on healthcare in the United States. Medicare provides health insurance for elderly and disabled Americans. Medicaid, a joint federal-state program, provides health coverage for low-income persons (50 percent of enrollees are children). Medicaid also pays for nursing home coverage for low-income elderly, covering almost half of total national spending for nursing home care. SCHIP, a federal-state program, provides health insurance coverage for children who otherwise would be without coverage.

CMS was established in 1977, incorporating the pre-existing Medicare and Medicaid programs. CMS operates from Baltimore, MD, Washington, DC, and ten regional offices.

FY 2001 NET BUDGET OUTLAY:	\$350.4 billion
FY 2000 NET BUDGET OUTLAY:	\$316.1 billion
FY 2001 CONSOLIDATED NET COST:	\$352.3 billion
FY 2000 CONSOLIDATED NET COST:	\$317.0 billion

Food and Drug Administration (FDA)

The FDA, established in 1927, is a science-based regulatory agency whose mission is to promote and protect the public health and well-being by ensuring that safe and effective products reach the market in a timely way, and to monitor products for continued safety after they are in use. FDA is responsible for overseeing a regulated industry that produces over one trillion dollars worth of products. The average cost of this effort to the taxpayers is about \$4.00 per person per year. The products include the vast majority of the nation's food supply; over-the-counter and prescription medications; blood products; vaccines; tissues for transplantation; medical equipment and implantable devices; devices that emit radiation; animal drugs and feed; and cosmetics. FDA operations are headquartered in Rockville, Maryland and are organized into six centers, two offices, and five regions throughout the United States.

To accomplish its mission, FDA is divided into six program areas: foods, drugs, biological products, veterinary medicine, medical devices, and toxicological research. Each program area, except for toxicological research, is responsible for ensuring the safety and, where applicable, the effectiveness of products through their entire life cycle - from initial research through manufacturing, distribution, and consumption. These programs, supported by a national field force of scientific investigators, also monitor the safety of more than seven million import shipments that arrive at our borders each year. The toxicological research program conducts peer-reviewed research that provides the basis for FDA to make sound, science-based regulatory decisions.

FY 2001 NET BUDGET OUTLAY:	\$1.1 billion
FY 2000 NET BUDGET OUTLAY:	\$1.0 billion
FY 2001 CONSOLIDATED NET COST:	\$1.1 billion
FY 2000 CONSOLIDATED NET COST:	\$1.0 billion

Health Resources and Services Administration (HRSA)

HRSA is an important component of the nation's health safety net; HRSA improves the nation's health by assuring equitable access to comprehensive, quality healthcare. HRSA and its state, local, and other partners, work to eliminate barriers to care and eliminate health disparities for Americans who are underserved, vulnerable, and have special needs. It also works to assure that quality healthcare professionals and services are available.

HRSA was established in 1982, bringing together several pre-existing programs. Its headquarters are located in Rockville, MD. HRSA works to decrease infant mortality and improve maternal and child health. It provides services to people with AIDS through the Ryan White CARE Act programs and oversees the organ transplantation and bone mar-

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row donor systems. HRSA also works to build the healthcare workforce and maintains the National Health Service Corps. HRSA uses a structure of four bureaus, three centers, and several support offices to accomplish its mission.

FY 2001 NET BUDGET OUTLAY:	\$5.1 billion
FY 2000 NET BUDGET OUTLAY:	\$4.3 billion
FY 2001 CONSOLIDATED NET COST:	\$5.3 billion
FY 2000 CONSOLIDATED NET COST:	\$4.4 billion

Indian Health Service (IHS)

The IHS is the principal federal healthcare provider and health advocate for American Indian people, who experience the lowest life expectancies in the country for both men and women. In partnership with American Indians and Alaska Natives from more than 557 federally recognized tribes, IHS's mission is to raise the physical, mental, social, and spiritual health of American Indians and Alaskan Natives to the highest level. IHS and the Indian tribes serve 1.5 million American Indians and Alaskan Natives through direct delivery of local health services.

IHS was established in 1924 (mission transferred from the Department of Interior in 1955.) The IHS funds hospitals, health centers, school health centers, and health stations, which are administered by Indian tribes or IHS itself. There are also 34 health programs operated by urban Indian Health Organizations that provide various services to American Indians and Alaskan Natives living in urban areas of the country. When unavailable from IHS or the Indian tribes, medical services are also purchased from other providers to ensure that needed care is received. IHS headquarters are in Rockville, MD, and its twelve area offices are further divided into service units for reservations or a population concentration.

FY 2001 NET BUDGET OUTLAY:	\$2.6 billion
FY 2000 NET BUDGET OUTLAY:	\$2.4 billion
FY 2001 CONSOLIDATED NET COST:	\$2.7 billion
FY 2000 CONSOLIDATED NET COST:	\$2.4 billion

National Institutes of Health (NIH)

NIH is the world's premier medical research organization supporting research projects nationwide in diseases such as cancer, Alzheimer's, diabetes, arthritis, heart ailments, and AIDS. The NIH consists of Institutes and Centers (ICs) that improve the health of all Americans by advancing medical knowledge and sustaining the nation's medical research capacity in disease diagnosis, treatment, and prevention. More than \$8 out of every \$10 appropriated to NIH flows out to the scientific community at large. NIH's research activities extend from basic research that explores the fundamental workings of biological systems, to studies that examine disease and treatments in clinical settings, to prevention, and to population-based analyses of health status and needs.

NIH was established in 1887, as the Hygienic Laboratory, Staten Island, NY. To accomplish its mission, NIH provides scientific leadership and establishes research priorities, funds the best research in the scientific community at large, and conducts leading-edge research in NIH laboratories. NIH also disseminates scientific results and information, facilitates the development of health-related products, ensures a continuing supply of well-trained laboratory and clinical investigators, sustains the nation's research facilities, and collaborates with other federal agencies. NIH is located in Bethesda, MD.

FY 2001 NET BUDGET OUTLAY:	\$17.2 billion
FY 2000 NET BUDGET OUTLAY:	\$15.4 billion
FY 2001 CONSOLIDATED NET COST:	\$17.0 billion
FY 2000 CONSOLIDATED NET COST:	\$15.6 billion

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Program Support Center (PSC)

PSC is a self-supporting component of the Department that provides administration services for HHS and other federal agencies. The PSC is organized to provide competitive services on a fee-for-service basis in three key areas: financial management, human resources, and administrative operations. PSC provides these services to at least 14 other executive branch departments, 20 independent federal agencies, and the General Accounting Office. Activities and services of PSC are supported through the HHS Service and Supply revolving fund. PSC's services are fee-based and self-sustaining.

PSC is located in Rockville, MD. PSC was established in 1995 as a business enterprise from various administrative support units of HHS.

FY 2001 NET BUDGET OUTLAY:	\$260.0 million - Reimbursable
FY 2000 NET BUDGET OUTLAY:	\$137.1 million - Reimbursable.
FY 2001 CONSOLIDATED NET COST:	\$2.2 billion
FY 2000 CONSOLIDATED NET COST:	\$523.0 million

Substance Abuse and Mental Health Services Administration (SAMHSA)

SAMHSA works to strengthen the capacity of the Nation's healthcare system to provide substance abuse prevention, addictions treatment, and mental health services for Americans experiencing or at risk for mental illness, substance abuse disorder, or co-occurring mental and addictive illnesses. SAMHSA provides funding through block grants to states for direct substance abuse and mental health services, including treatment for Americans with serious substance abuse problems, prevention intervention services, and services for adults and children with serious mental illnesses or emotional disturbances. Other programs provide the additional 1,200 grants for substance abuse and mental health services.

SAMHSA was established in 1992. (A predecessor agency, the Alcohol, Drug Abuse and Mental Health Administration, was established in 1974.) SAMHSA is organized into three centers (Center for Substance Abuse Prevention, Center for Substance Abuse Treatment, and Center for Mental Health Services) and three offices (Office of the Administrator, Office of Program Services, and Office of Applied Studies). SAMHSA is located in Rockville, MD.

FY 2001 NET BUDGET OUTLAY:	\$2.7 billion
FY 2000 NET BUDGET OUTLAY:	\$2.5 billion
FY 2001 CONSOLIDATED NET COST:	\$2.6 billion
FY 2000 CONSOLIDATED NET COST:	\$2.5 billion